

REMARKS

The Examiner is thanked for the careful review of the application and the indication of allowable claims 14-24.

In the specification:

With respect to the Examiner's objection to the specification regarding the benefit of an earlier filing date (See paragraphs 1, 2, 2.1, 2.2 of the Office Action), the specification has been amended to indicate the reference number of the related application. Please note that the related application, which is filed on the same date as the instant application, is cited for cross-reference and incorporation by reference purposes. Since the applications are filed on the same date, Applicants have no intention and see no benefit in claiming priority to an earlier filing date, which there is none as the related application was not filed prior to the filing of the instant application.

Further, since the related application is filed on the same date as the filing date of the instant application and is not relied upon for an earlier filing date, Applicant does not believe a new Oath or Declaration is required (See paragraphs 3, 3.1 of the Office Action).

The current status of the related application is as stated (i.e., "co-pending") in the original application. (See paragraph 4(A) of the Office Action).

With respect to the objections in paragraph 4(B)(1)(c) of the Office Action, Applicant has supplied a substitute Fig. 2 to correct the informalities noted in paragraph 4(B)(1)(c) of the Office Action.

The specification has been amended to correct the informalities noted in paragraphs 4(B)(1)(a), 4(B)(1)(b), 4(B)(1)(d) of the Office Action. With respect to the objection in paragraph 4(B)(1)(b) of the Office Action, Applicants wish to point out that an explicit reference to reference number 216 in the specification as filed is present at page 8, line 21.

With respect to the objection in paragraph 4(B)(2)(a) of the Office Action, the specification has also been amended to provide an explicit reference to step 238, which is a step readily understood from the drawing as filed. No new matter is added.


In view of the amendments to the specifications herein and/or discussed above and/or the discussions herein, it is respectfully submitted that all of the Examiner's objections and rejections pertaining to the specification have been addressed and obviated. The withdrawal of the objections and rejections to the specification is respectfully requested.

In the claims:

Applicants have amended claim 1 to specifically point out that claims 1-13, in the manner amended, relates to an apparatus having computer readable codes to be executed using a computer to achieve the goal of computing a preferred set of prices for a subset of a plurality of products. It is respectfully submitted that claims 1-13, in the manner amended, do not merely contain nonfunctional descriptive material as suggested by the Examiner and are directed toward statutory subject matter under 35 USC 101.

Applicants believe that all pending claims are allowable and respectfully request a Notice of Allowance for this application from the Examiner. Should the Examiner believe that a telephone conference would expedite the prosecution of this application, the undersigned can be reached at telephone number 1-(925) 570 8198.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kang S. Lim', followed by a large checkmark.

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MARKED UP CLAIMS

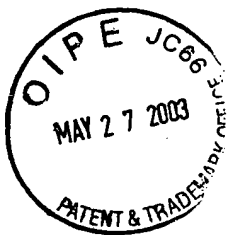
1. (Amended) An apparatus comprising a program storage media having computer readable code embodied therein, said computer readable code being configured for computing, using a computer, a preferred set of prices for a subset of a plurality of products, [comprising a computer readable media,]comprising:

computer readable code for storing initial prices for a plurality of products;

computer readable code for designating a subset of products of the plurality of products, wherein the number of products in the subset of products is less than the number of products in the plurality of products; and

computer readable code for optimizing prices for products in the subset of products, while maintaining the initial prices of products of the plurality of products that are not in the subset of products.

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MARKED UP REPLACEMENT PARAGRAPHS IN SPECIFICATION

The paragraphs below represent the marked up replacement paragraphs, wherein deletions are shown by brackets "[]" and additions are shown by underlining.

At page 1, starting at line 11, please substitute the following paragraph for the deleted paragraph:

This application relates to co-pending and concurrently filed application No. 09/999,078 (Attorney Docket No. DT.0106) filed November 30, 2001, entitled "Selective Merchandise Price Optimization Mechanism", by Michael Neal, Krishna Venkatraman, Rob Parkin, Suzanne Valentine, Phil Delurgio, Hau Lee, and John Close, which is incorporated by reference herein for all purposes.

At page 8, starting from line 3, please substitute the following paragraph for the deleted paragraph:

To facilitate understanding, FIG. 7 is an overall flow chart of a process that uses subset optimization 700. First, a product category is optimized (step 701). A demand group is defined as a set of products that are substitutes or near substitutes for each other. A product can belong to only one demand group. A product category consists of one or more demand groups. FIG. 2 is a more detailed flow chart of a preferred embodiment

of a process that utilizes the price optimizing system 100 to optimize prices for a product category (step 701). The steps of FIG. 2 start at step 200 as shown. Data 120 is provided from the store computer systems 124 to the econometric engine 104 (step 204). Generally, the data 120 provided to the econometric engine 104 may be point-of-sale information, product information, and store information. The econometric engine 104 processes the data 120 to provide demand coefficients 128 (step 208) for a set of algebraic equations that may be used to estimate demand (volume sold) given certain marketing conditions (i.e. a particular store in the chain), including a price point. The demand coefficients 128 are provided to the optimization engine 112 (step 212). Additional processed data from the econometric engine 104 may also be provided to the optimization engine 112.

At page 21, starting from line 13, please substitute the following paragraph for the deleted paragraph:

FIG. 6 is a flow chart of a preferred embodiment of the rule relaxation process. The

steps of FIG. 6 start at step 600 as shown. The rules are prioritized (step 604). A default prioritization may be provided, with an interface, which may allow a user to change the prioritization from the default. A check is made to see if a rule is infeasible (step 608). A rule is deemed to be infeasible if the relationship expressed by the rule is not able to be satisfied. For instance a rule $X+Y \leq 10$, is violated for when X is 7 and Y is 7 since then $X+Y=14$ which is greater than 10. If no rule is found to be infeasible, the rule relaxation process is stopped (step 628). If at least one rule is found to be infeasible, the lowest priority infeasible (LPI) rule is found (step 612). A determination is made whether rules with lower priorities than the priority of the LPI rule may be relaxed to allow the LPI rule to become feasible (step 616). In the preferred embodiment the lower priority rules are checked before higher priority rules. If it is found that rules with lower priorities than that priority of the LPI rule may be relaxed to a point that allows the LPI rule to become feasible, then these rules with lower

priorities are relaxed incrementally so that the LPI rule becomes feasible (step 620). In the preferred embodiment, lower priority rules are relaxed before higher priority rules. If it is found that rules with lower priorities than the priority of the LPI rule cannot be relaxed to allow the LPI rule to become feasible, then the LPI rule is relaxed until it becomes feasible (step 624). The rules are then rechecked to see if there are any remaining rules that are infeasible (step 608). This process is continued until all rules are feasible.

At page 10, starting from line 8, please substitute the following paragraph for the deleted paragraph:

The optimal (preferred) set of prices may be sent from the optimization engine 112 to the support tool 116 so that the stores 124 may use the user interface of the support tool 116 to obtain the optimal set of prices. Other methods may be used to provide the optimal set of prices to the stores 124. The price of the products in the stores 124 is set to the optimal set of prices (step 236), so that a maximization of profit or another objective is

achieved. In step 238, it is ascertained whether optimization should be continued. If the decision in step 238 is to continue optimization, the process of FIG. 2 returns to step 204 to continue optimization. On the other hand, if the decision in step 238 is not to continue optimization, the process of FIG. 2 is done.